

# OUTSTATE MICHIGAN TROWEL TRADES FRINGE BENEFIT FUNDS

Michigan Trowel Trades Health and Welfare Fund  
Outstate Michigan Trowel Trades Pension Fund  
Outstate O.P.C.M.I.A. Apprenticeship Fund

Managed for the Trustees by:  
TIC INTERNATIONAL CORPORATION

Si Quires Copias De Estas Formas y Reportes Annuales Por Favor Llamen Al Administrador Del Plan a Este Numero (877) 876-9357 or (517) 321-7502 y Prequntar Que Quiere Hablar Que Quiere Hablar Con Algien Que Habla Español.

September 2011

To: **ALL PLAN PARTICIPANTS OF THE MICHIGAN TROWEL TRADES  
HEALTH AND WELFARE FUND**

Dear Plan Participants:

We have attached the following Important Notices and Annual Report for your review. These Notices and Report are required to be mailed to each Plan Participant annually as provided by the Employee Retirement Income Security Act of 1974 (ERISA):

- Summary of Material Modifications for the Health and Welfare Fund Page 2 - 5
- Important Notice about your Prescription Drug Coverage and Medicare Pages 6 - 7
- 2010 Summary Annual Report for the Health and Welfare Fund Pages 8 - 9
- Notice of HIPAA Privacy Policy Page 10
- Notice on Women's Health and Cancer Rights Page 11
- Health & Welfare Fund Social Security Number Privacy Policy Page 12

**If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see pages 5-6 for more details.**

If you have any questions, please contact your Local Union office, or the Medical Claims Department at the Fund Office.

Sincerely,

BOARD OF TRUSTEES

**TO:** PLAN PARTICIPANTS OF THE  
MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND

**RE: SUMMARY OF MATERIAL MODIFICATIONS**

Dear Plan Participant:

This Notice, known as a Summary of Material Modifications (“SMM”), provides a brief description of the changes adopted by the Board of Trustees since the most recent Summary Plan Description (“SPD”) was distributed. It is an amendment to the SPD and should be kept with the SPD for future reference.

Effective January 1, 2011, dependent coverage was extended for eligible participant’s adult children up to age 26; the \$5,000,000 overall lifetime limit per person was eliminated so that there is no longer any lifetime limit on the dollar value of all covered services per member; the Fund is required to provide external review for adverse benefit determinations involving medical judgment; the \$1,000,000 lifetime limit per person per human organ transplant was eliminated so that there is no longer a lifetime limit on the dollar value of human organ transplants per person (transplants must still be coordinated through the Blue Cross Blue Shield of Michigan Human Organ Transplant Program); the \$500 annual maximum limit per person for preventive health benefits and services was eliminated and preventive health benefits and services are now covered with no cost-sharing, such as co-payments and deductibles, when performed by an in-network physician (these preventive health benefits and services are generally not covered when performed by an out-of-network physician); and, covered preventive health benefits and services has been expanded to include: (i) evidence-based items or services that have in effect a rating of A or B in the current recommendations of the U.S. Preventive Services Task Force with respect to the individual involved (except that recommendations of the Task Force regarding breast cancer screening, mammography, and prevention issued in or around November 2009 are not considered to be current), (ii) immunizations for routine use in children, adolescents, and adults that have in effect a recommendation from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention with respect to the individual involved (for this purpose, a recommendation from the Advisory Committee is considered in effect after it has been adopted by the Director of the Centers for Disease Control and Prevention, and a recommendation is considered to be routine use if it is listed on the Immunization Schedules of the Centers for Disease Control and Prevention), (iii) with respect to infants, children, and adolescents, evidence-informed preventive care and screenings provided for in comprehensive guidelines supported by the Health Resources and Services Administration, and (iv) with respect to women, evidence-informed preventive care and screenings provided for in comprehensive guidelines supported by the Health Resources and Services Administration.

Effective June 1, 2010, the annual deductible was increased to two hundred fifty dollars (\$250.00) per person, and five hundred dollars (\$500.00) per family; the Office Visit Co-Payment and Chiropractic Office Visit Co-Payment was increased from thirty dollars (\$30.00) to forty dollars (\$40.00) per visit; and Dental Benefits were reduced to provide coverage for preventive services only up to an annual maximum of five hundred dollars (\$500) per individual.

Effective July 1, 2009, an annual deductible of one hundred dollars (\$100.00) per person and two hundred dollars (\$200.00) per family was implemented. This means that **before** Blue Cross Blue Shield of Michigan (BCBSM) will pay for services received after July 1, 2009, you will be required to pay the first one hundred dollars (\$100.00) per person or the first two hundred dollars (\$200.00) per family. (The annual deductible does

not apply to the annual preventive health benefits. These benefits will continue to be paid at 100% up to the annual maximum of \$750.00 per person, per year.)

Effective July 1, 2009, the Office Visit Co-Payment was increased from twenty dollars (\$20.00) to thirty dollars (\$30.00) per visit starting July 1, 2009 for any office visits on or after July 1, 2009. If any other services are performed, such as laboratory, x-rays, etc., these services are applied toward the annual deductible, so the member is responsible for paying the first one hundred dollars (\$100.00) per person or the first two hundred dollars (\$200.00) per family.

Effective July 1, 2009, a Chiropractic Office Visit Co-Payment of thirty dollars (\$30.00) took effect with any chiropractic office visit on or after July 1, 2009.

Effective with charges incurred on or after June 1, 2008, the Fund included coverage for adult immunizations within the Preventive Health Benefits for adults nineteen (19) years of age and older. All adult immunizations listed by the Department of Health and Human Services Centers for Disease Control and Prevention (CDC) will be covered. Listed below are the current immunizations recommended by the CDC. *This listing is subject to change by Blue Cross Blue Shield of Michigan or the CDC.*

- **Tetanus, Diphtheria, Pertussis** – Recommended for adults between the ages of 19 to 64 who received their last vaccine more than 10 years ago.
- **Human Papillomavirus (HPV)** – Recommended for girls and women between the ages of 13 and 26.
- **Measles, Mumps, Rubella** – Recommended for anyone recently exposed to measles, health care workers, travelers, college students and anyone vaccinated from 1963 to 1967.
- **Varicella** – Recommended for anyone who has never had chickenpox or has a weakened immune system.
- **Influenza** – Recommended for anyone age 50 or older or for individuals with chronic illness.
- **Pneumococcal** – Recommended for anyone 65 or older or for individuals with chronic illness.
- **Hepatitis A** – Recommended for those with a clotting factor discord or chronic liver disease, health care workers and those who travel in countries with a high incidence of hepatitis.
- **Hepatitis B** – Recommended for hemodialysis patients, health care or public safety workers, for those who inject illegal drugs, have more than one sex partner in six months or have sex with a person infected with hepatitis B.
- **Menigococcal** – Recommended for college students or for individuals who travel in areas with a high incidence of meningitis.
- **Zoster (shingles)** – Recommended for anyone age 60 and over.

Benefits are paid at one hundred percent (100%) if charges are billed as part of a routine physical examination. If charges are not billed as a routine and have a diagnostic code included, the office visit co-payment of twenty dollars (\$20) will apply.

Effective with charges incurred on or after March 1, 2008, the maximum payable each calendar year for Preventative or Routine Wellness Benefits and immunizations for each eligible dependent age 18 or younger has increased from five hundred dollars (\$500.00) to seven hundred fifty dollars (\$750.00). Wellness benefits remain subject to current age and frequency restrictions.

Effective March 1, 2008, the Fund no longer covers any prescriptions obtained at Wal-Mart or Sam's Club. We believe that in order to provide the best service and benefits for Union workers, we must promote and work directly with our Union partners. Neither Wal-Mart nor Sam's Club stores promote union practices, so the Fund will no longer reimburse the costs of prescriptions purchased there. **If you or your dependents purchase a prescription at Wal-Mart or Sam's Club on or after March 1, 2008, you will not receive any benefit or reimbursement from the Fund, and you will be required to pay a one hundred percent (100%) co-payment even if Wal-Mart and Sam's Club are still affiliated with the Blue Cross Blue Shield of Michigan pharmacy network.**

Effective with hours worked on and after May 1, 2008, the Fund will use the same pro rating for all contributions and hours. So, if you work for an employer that pays contributions at an hourly rate lower than the standard rate, even an employer that contributes to the Michigan Fund, the hours to be credited to you will be calculated by dividing the contributions actually received by the hourly contribution rate (\$5.20 currently). This may affect your eligibility. You must be credited with three hundred thirty hours (330) hours within a quarter to remain eligible for coverage. If your hours are reduced because of lower contributions, you may not meet that eligibility requirement.

Effective with the eligibility month of July 2007, the Plan was modified to allow participants to remit "short hour self-payments" for a maximum of ten (10) hours each month at the current hourly contribution rate. If, for example, three hundred and twenty-five (325) hours of contributions are paid on your behalf within a quarter, you may make a self-payment at the currently hourly contribution rate (5 x \$5.20 = \$26) for the five (5) hours you are short of the 330 hours required to continue your eligibility for coverage. You will then remain eligible for the quarter.

Effective August 1, 2007, the self-payment rate for all categories was increased to three hundred and seventy dollars (\$370) per month.

The Board of Trustees as of the date of this Notice is as follows:

Union Trustees:

Michael Stanfield, Chairman  
Local Union 16  
3815 West St. Joseph, Suite B-200  
Lansing, MI 48917

Jack McCool  
Plasterers' Local No. 67  
1154 E. Lincoln Avenue  
Madison Heights, MI 48071

Joel Santos  
Cement Masons Local No. 514  
1154 E. Lincoln Avenue  
Madison Heights, MI 48071

Management Trustees:

Glenn Bukoski, Secretary  
Michigan Infrastructure &  
Transportation Association  
PO Box 1640  
Okemos, MI 48805

Donald Bovre  
AGC of Michigan  
2323 N. Larch, PO Box 27005  
Lansing, MI 48906

Scott Fisher  
AGC of Michigan  
2323 N. Larch, PO Box 27005  
Lansing, MI 48906

Henry Williams  
Cement Masons Local No. 514  
1154 E. Lincoln Avenue  
Madison Heights, MI 48071

Douglas Needham  
Michigan Infrastructure &  
Transportation Association  
PO Box 1640  
Okemos, MI 48805

Cyril Wilson  
Local Union 16  
3815 West St. Joseph, Suite B-200  
Lansing, MI 48917

Lawrence V. Walraven, Jr.  
AGC of Michigan  
2323 N. Larch, PO Box 27005  
Lansing, MI 48906

If you have any questions regarding the Plan Modifications described above, please contact the Medical Claims Department at the Fund Office.

Sincerely,

BOARD OF TRUSTEES  
MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND

## **Important Notice About Your Prescription Drug Coverage and Medicare**

TO: ALL PARTICIPANTS OF THE  
MICHIGAN TROWEL TRADES' HEALTH & WELFARE FUND

RE: MEDICARE PART D – PRESCRIPTION DRUG COVERAGE

Starting January 1, 2006, Medicare began offering prescription drug coverage for everyone with Medicare.

**Good news!** The Michigan Trowel Trades Health and Welfare Fund provides “Creditable Coverage” which means that if you or your dependents are Medicare-eligible and your family is covered by the Fund because you are working with the tools or because you are retired and enrolled in the Blue Care Network Medicare Advantage plan, you and/or your Medicare-eligible dependents may delay enrollment in a Medicare prescription drug plan **without penalty. You don't need both types of coverage.**

**What is Creditable Coverage?** Creditable Coverage is coverage that is, on average for Fund participants, expected to pay out as much as the standard Medicare prescription drug coverage.

**When do I enroll in Medicare prescription drug coverage to avoid a penalty?** Medicare-eligible individuals should enroll in Medicare prescription drug coverage no more than 62 days after losing or dropping their Creditable Coverage. If a Medicare-eligible individual goes 63 days or longer without Creditable Coverage, his or her monthly premium will go up at least 1% per month for every month that he or she did not have that coverage. The individual will have to pay that higher premium so long as he or she has Medicare prescription drug coverage. The individual may also have to wait until the following November to enroll.

**What happens when I retire?** The Fund provides retiree coverage (including prescription drug coverage that is Creditable Coverage) only to those retirees who are **not** eligible for Medicare **and** the Fund also offers coverage to retirees who **are** eligible for Medicare through the Blue Care Network Medicare Advantage plan once annually. If you are or soon will be a Medicare-eligible retiree and chose not to enroll in the Blue Care Network Medicare Advantage plan, you should consider enrolling in a Medicare prescription drug plan. You can find more information about Medicare prescription drug plans through the following resources:

- the “Medicare & You” handbook that is available from Medicare,
- the [www.medicare.gov](http://www.medicare.gov) website,
- the Michigan State Health Insurance Assistance Program at 1-800-803-7174 and
- 1-800-MEDICARE (1-800-633-4227), TYY 1-877-486-2048.

If you have limited income and resources, you may be eligible for extra help paying for Medicare prescription drug coverage. For more information about this extra help, contact the Social Security Administration (SSA) at 1-800-772-1213 (TTY 1-800-325-0778), or through its website, [www.socialsecurity.gov](http://www.socialsecurity.gov).

**What if I have questions?** If you have questions about the Fund's prescription drug coverage and Medicare prescription drug coverage, contact the Fund Office, 6525 Centurion Drive, Lansing, MI 48917, 1-517-321-7502, 1-877-876-9357. We will do our best to answer your questions or direct you to someone who can.

**Keep this notice. It will provide proof to Medicare of Creditable Coverage when you enroll in a Medicare prescription drug plan.** You may receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if the Fund's prescription drug coverage changes. You also may request a copy of this notice.

Sincerely,

BOARD OF TRUSTEES  
MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND

**TO:** PLAN PARTICIPANTS AND DEPENDENTS OF THE  
MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND

**RE: 2010 SUMMARY ANNUAL REPORT**

Dear Plan Participant:

This is a summary of the Annual Report of the Michigan Trowel Trades Health and Welfare Fund, Employer Identification Number 38-6238055, Plan No. 501, for the period of January 1, 2010 through December 31, 2010. The Annual Report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor as required under the Employee Retirement Income Security Act of 1974 (ERISA).

The Board of Trustees has committed itself to pay certain medical, surgical and other health care claims incurred under the terms of the Plan.

#### INSURANCE INFORMATION

The Plan has contracts with Blue Cross Blue Shield of Michigan and the Metropolitan Life Insurance Company to pay Stop Loss, Basic Life Insurance and Accidental Death & Dismemberment claims incurred under the terms of the Plan. The total premiums paid for the Plan Year ending December 31, 2010 were \$203,257.

#### BASIC FINANCIAL STATEMENT

The value of Plan Assets, after subtracting Liabilities of the Plan, was \$1,851,025 as of December 31, 2010, compared to \$2,331,739 as of January 1, 2010. During the Plan Year, the Plan experienced a decrease in its Net Assets of \$(480,714). This decrease includes unrealized depreciation in the value of the Plan Assets; that is, the difference between the value of the Plan's Assets at the end of the year and the value of the Plan's Assets at the beginning of the year, or the cost of the Assets acquired during the year. During the Plan Year, the Plan had Total Income of \$5,224,700, including Employer Contributions of \$4,507,851, Employee Contributions of \$532,335, earnings from Investments of \$4,123 and Other Income of \$180,391.

Plan Expenses were \$5,705,414. These Expenses included \$601,031 in Administrative Expenses (See Schedule A) and \$5,104,383 in benefits paid to Participants and Beneficiaries.

#### YOUR RIGHTS TO ADDITIONAL INFORMATION

You have a right to receive a copy of the full Annual Report, or any part thereof, on request. The items listed below are included in that report:

1. An Accountant's report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the Plan Assets; and
5. Insurance information, including sales commissions paid by insurance carriers.

To obtain a copy of the full Annual Report, or any part thereof, write or call the office of the Board of Trustees, Michigan Trowel Trades Health and Welfare Fund, 6525 Centurion Drive, Lansing, MI 48917-9275, toll free

(877) 876 9357 or (517) 321-7502. The charge to cover copying costs will be \$6.75 for the full Annual Report or twenty-five cents per page for any part thereof.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the Assets and Liabilities of the Plan and accompanying notes, or a statement of Income and Expenses of the Plan and accompanying notes, or both. If you request a copy of the full Annual Report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the Report, because these portions are furnished without charge.

You also have the legally protected right to examine the Annual Report at the main office of the Plan (Board of Trustees, Michigan Trowel Trades Health and Welfare Fund, 6525 Centurion Drive, Lansing, MI 48917-9725), at any other location where the report is available for examination and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Sincerely,

**BOARD OF TRUSTEES**  
**MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND**

Schedule A: Administrative Expenses

Claim administration fee	\$231,094	Lockbox and bank service charges	\$ 5,770
Administrative manager's fee*	102,000	Printing and miscellaneous	4,595
Legal fees – collection	90,535	Meeting expenses	4,433
Payroll audit fees	44,493	Conference expenses	4,145
Collection coordinator's' expenses	44,281	Member communications	2,820
Legal fees	24,251	Trustee and fiduciary liability	
Consulting fee	16,479	insurance and bonding	1,970
Audit fee	13,350	Summary annual report	1,815
Actuarial fee	7,200	Website expense	<u>1,800</u>
		Total	<u>\$601,031</u>

\*includes rent, equipment, staffing, postage, computer services, etc.

**TO: ALL HEALTH FUND PARTICIPANTS**

**RE: NOTICE OF HIPAA PRIVACY POLICY**

This Notice is intended to confirm that the Fund complies with the Privacy Regulations issued under the Health Insurance Portability and Accountability Act (HIPAA). The law restricts the use and disclosure of the non-public "protected health information" of the Participant and the Participant's covered dependents, if any, with regard to benefits provided under the Fund's group health plan. That protected health information can generally be disclosed only by the Fund, its vendors and the Participant's/dependent's health care provider(s) only if necessary for the payment of claims, treatment of illness or other health care operations, including the administration of health care benefits, as permitted by law and the HIPAA Privacy Regulations.

Blue Cross Blue Shield of Michigan and Blue Care Network may issue separate Notices of Privacy Policies and Practices.

For a complete copy of the Fund's Notice of Privacy Policy, write or call the Fund Office at the address and telephone number and listed below:

Michigan Trowel Trades Health and Welfare Fund  
6525 Centurion Drive  
Lansing, MI 48917-9275

Telephone (517)321-7502  
Toll Free (877)876-9357  
Fax 517-321-7508

TO: PLAN PARTICIPANTS OF THE  
MICHIGAN TROWEL TRADES' HEALTH AND WELFARE FUND

RE: **WOMEN'S HEALTH AND CANCER RIGHTS**

Dear Plan Participant:

The Women's Health and Cancer Rights Act of 1998 requires that all health care plans that provide medical and surgical benefits for mastectomies provide participants and beneficiaries receiving mastectomy benefits and who elect mastectomy related breast reconstruction with benefits coverage for the following:

- **Reconstruction of the breast on which the mastectomy has been performed;**
- **Surgery and reconstruction of the other breast to produce a symmetrical appearance; and**
- **Prostheses and physical complications of all stages of mastectomy, including lymph edemas, in a manner determined in consultation with the attending physician and the patient.**

**Such coverage may be subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as are consistent with those established for other benefits under the plan or coverage.**

The Fund has provided coverage for mastectomies for a number of years. As part of this coverage, the Plan also covered the procedures necessary to effect reconstruction of the breast on which the mastectomy was performed, as well as the cost of prostheses and physical complications of all stages of mastectomy, including lymph edemas, as recommended by the attending physician of any patient receiving Plan benefits in connection with the mastectomy and in consultation with the patient. The Plan also covers any surgery and reconstruction of the other breast to achieve a symmetrical appearance.

Please keep this notice with your Summary Plan Description. If you have any questions regarding these federal requirements, please contact the Medical Claims Department at the Fund Office.

Sincerely

BOARD OF TRUSTEES  
MICHIGAN TROWEL TRADES HEALTH & WELFARE FUND

**MICHIGAN TROWEL TRADES HEALTH AND WELFARE FUND**

**SOCIAL SECURITY NUMBER PRIVACY POLICY**

**(Effective January 1, 2006)**

The Michigan Trowel Trades Health and Welfare Fund is required by Michigan law to make sure that your Social Security number and the Social Security numbers of your family members are kept private as set forth in that law.

The law permits the Fund to use Social Security numbers to verify your identity and the identities of your family members and to perform other functions related to providing retirement benefits under the Fund's Plan. Therefore, the Fund will continue to require Social Security numbers on application and enrollment forms. When your employer pays contributions on your behalf, the law permits your employer to provide the Fund with your Social Security number so that the Fund may determine your eligibility status. The law also permits the Fund to use Social Security numbers when authorized or required to do so by state or federal statute, by court order, or pursuant to legal discovery or process. The Fund will ensure to the extent practicable the confidentiality of those Social Security numbers.

In order to protect your privacy and in compliance with the law, the Fund's third-party administrator, TIC International Corporation ("TIC"), and the Blue Cross Blue Shield of Michigan ("BCBSM") will use alternate identification numbers wherever feasible, including on monthly notices of contributions. TIC and BCBSM do not print Social Security numbers on the exterior of any envelope or package sent through the mail or in a manner that can be seen from the exterior of such envelope or package. The Fund's website is secure and permits participants to access information through use of a password other than their Social Security number.

Only TIC's employees and agents and employees and agents of other Fund service providers such as BCBSM may access the Social Security numbers of Fund participants and family members and only as necessary to provide services to the Fund. TIC uses practical means to limit access to written and electronic records in its possession that contain Social Security numbers to those employees and agents whose job duties require such access, such as securing areas where Social Security number information is located when not in use and requiring the use of passwords for access to electronic files containing Social Security numbers. TIC disposes of documents that contain Social Security numbers that the Fund is not actively using or is not otherwise obligated to retain by shredding and other processes that protect the confidentiality of the Social Security numbers. TIC's employees and agents must not disclose Social Security numbers by publicly displaying more than four sequential digits of a Social Security number or in any other manner prohibited by law.

The Fund notifies all service providers that they must ensure, to the extent practicable, the confidentiality of all Social Security numbers related to Fund participants and their families as required by law. The Fund may take action regarding service providers who fail to protect adequately the confidentiality of those Social Security numbers, including the termination of contracts.